

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.L
Mtg. Date June 20, 2017
Dept. Public Works

Item Title: Five Year Lease Agreement with the Lemon Grove Historical Society for the Use of the H. Lee House Located at 3205 Olive Street

Staff Contact: Mike James, Assistant City Manager / Public Works Director

Recommendation:

Adopt a Resolution (**Attachment B**) approving a five year lease agreement (**Attachment B – Exhibit 1**) with the Lemon Grove Historical Society for the use of the H. Lee House located at 3205 Olive Street.

Item Summary:

Since 2005, the City and the Lemon Grove Historical Society (Historical Society) entered into a one-year lease agreement allowing the Historical Society to perform restoration work and repairs to the H. Lee House (Lee House). In 2007, all restoration work was completed and the City and Historical Society agreed to no fee lease agreement to allow the Historical Society to act as caretakers for the property and conduct community special events for the residents of Lemon Grove in addition to their prior events that included concerts, poetry readings, weddings and fundraising activities.

As shown in draft agreement, the Historical Society will continue to pay all utility costs and be responsible for all maintenance and repairs to the property. The Historical Society will continue to provide the City with all required certificates of insurance as well as an annual report to City staff about the operations and uses of the property.

Fiscal Impact:

The City will continue to receive \$100.00 per event rental that the Historical Society hosts at the H. Lee House. In FY 2017-2018, the City received approximately \$400.00.

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section [] | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

A. Resolution

Attachment A

RESOLUTION NO. 2017 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING A FIVE YEAR LEASE AGREEMENT WITH THE LEMON GROVE HISTORICAL SOCIETY FOR THE USE OF THE H. LEE HOUSE LOCATED AT 3205 OLIVE STREET.

WHEREAS, the City of Lemon Grove owns the property and building located at 3205 Olive Street, Lemon Grove, California known as the H. Lee House; and

WHEREAS, in 2005, the City and Lemon Grove Historical Society entered in multiple agreements that allowed the Lemon Grove Historical Society to perform restoration work and repairs to the H. Lee House; and

WHEREAS, in 2007, the City and Lemon Grove Historical Society formulated a no fee lease agreement that allowed the Lemon Grove Historical Society to continue to utilize and maintain the H. Lee House; and

WHEREAS, the City Council of the City of Lemon Grove believes that the leasing of the H. Lee House to the Lemon Grove Historical Society for special event and community event usage is the most beneficial use of the property to the residents of Lemon Grove. |

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

1. Approves a five year lease agreement with the Lemon Grove Historical Society for the use of the H. Lee House located at 3205 Olive Street not exceed June 30, 2022; and
2. Directs the City Manager or her designee to manage and execute all documents necessary to facilitate this lease agreement. |

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Attachment A – Exhibit 1

Property and Event Use Agreement for the H. Lee House

The parties to this Agreement are the City of Lemon Grove hereinafter referred to as the “City” and the Lemon Grove Historical Society, a California 501(c)(3) nonprofit corporation, and hereinafter referred to as “Society.”

Recitals:

1. City owns certain real property commonly described as 3205 Olive Street, Lemon Grove, California (hereinafter, the “Property”).
2. The City is willing to provide access to the Society, in exchange for Society acting as caretakers, hosting community events at the H. Lee House (Lee), all at the Society’s sole expense.

Now, therefore, it is hereby agreed as follows:

1. Term of Agreement

This agreement shall commence on July 1, 2017 and shall continue through June 30, 2022, unless sooner canceled pursuant to Section 18 or 19 hereof.

2. Use of Facility

Society is granted use of the Lee to perform maintenance and repairs at the Society’s sole expense. No one under the age of eighteen (18) is allowed to perform interior restoration work or repairs on the Lee and anyone under that age entering the Lee during restoration work or repairs must be accompanied by their respective parent(s)/or legal guardian(s).

Society is also granted use of the Lee for Society sponsored community events; this may include, but not be limited to, weddings, concerts and poetry readings. Society sponsored community events are at the Society’s sole expense, and the Society may charge a fee to the public for such events. Anyone who is attending a community event at the Lee and who is under the age of eighteen (18) must be accompanied by their respective parent(s)/or legal guardian(s).

3. Fee for Use:

The City agrees to not charge any fee to the Society for said use of the Lee. The Society will continue to provide a flat fee to the City of \$100.00 for each rental that that is held at the Lee to include the attached open gazebo space.

4. Report to be Provided

On or before June 30, of each year the Society shall submit to the City a written report of all public events held along with restoration work in Section 3 completed at the Lee during the term of this agreement, including any additional work approved by the City Manager.

5. Maintenance

Society shall provide interior maintenance of the Lee sufficient to maintain its current condition.

6. Access to Second Level

Access to the second level of the Lee shall be restricted to the general public and shall only be made available to those performing repairs in the stairway and second level of the Lee. City shall provide a barrier prohibiting general public access to the stairway and

Attachment A – Exhibit 1

second level. Society shall maintain said barrier and ensure that the general public does not have access to the stairway and second level during events at the Lee.

7. Retention of Improvements

All structures, fixtures and improvements whether heretofore or hereinafter installed or erected by Society, shall, upon the expiration of this Agreement or any extension thereof, become the property of the City and shall not be removed from the Lee.

8. Alcohol Use

Society must request in writing the use of alcoholic beverages at the Lee. Written requests are sent to the attention of the City's Community Services Superintendent. Requests to use alcoholic beverages are reviewed by the Community Services Superintendent and, if approved, a permit may be issued for the date requested by Society. The City reserves the right to place restrictions on the use of alcoholic beverages in accordance with State Law, City Code and Policy.

9. Utilities

Historical Society shall pay all utilities for the term of this agreement. In instances when there is a significant and unforeseen cost related to any utility billing at the Lee, the City may, at the sole discretion of the City, assist with funding a portion or all of the utility cost.

10. Right of Inspection

City shall have the right to enter the Lee for the purpose of viewing and ascertaining the condition of the property, to protect its interests in the Lee, and to inspect the operations conducted within at any time.

11. Discrimination

Society shall not, for any reason, discriminate against any person because of race, sex, age, creed, color, disability or national origin.

12. Assignment

Society shall not assign this Agreement, or any interest therein, or any part thereof; or any right or privilege appurtenant thereto or suffer any other person (the agents, officers and employees of City excepted) to occupy or use the said Lee except as consistent with the purpose of the Agreement, without the prior written consent of the City Council of the City of Lemon Grove. Consent to one assignment, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, occupation or use by another person. Any such assignment without such consent shall be void and shall, at the option of City, terminate this Agreement. This Agreement shall not, nor shall any interest therein, be assignable, by operation of law, and if such an assignment is made, the City may terminate this Agreement, at its option.

13. Compliance with Law

Society shall, at its sole cost and expense, comply and secure compliance with all the laws, ordinances and requirements of all municipal, county, state and federal authorities now in force, or which may herein after be in force, pertaining to the Lee, or the operations conducted thereon, and shall faithfully observe, and secure observance with, in the use of the Lee, all municipal and county ordinances and state and federal statutes now in force or which may hereinafter be in force, and shall pay before delinquency all taxes, assessments, and fees assessed or levied upon Society or the Lee by reason of any buildings, structures, machines, appliances or other improvements of any nature

Attachment A – Exhibit 1

whatsoever, erected, installed or maintained by Society or by any reason of the business or other activities of Society upon or in connection with the Lee. Society shall comply with all rules or regulations of the City Council of the City of Lemon Grove or the City Manager applicable to the Lee. The judgment of any court of competent jurisdiction, or the admission of Society or any assignee in any action or proceeding against them, or any of them, whether the City be a party thereto, or not, that Society or assignee has violated any such regulations, ordinance, or statute in the use of the Lee shall be conclusive of that fact as between City and Society.

14. Hold Harmless

City, its agents, officers and employees, shall not be, nor be held liable, for any claims, liabilities, penalties, fines or for any damage to the goods, properties or effects of Society or any of Society representatives, agents, employees, guests, licensees, invitees, patrons or clientele or of any other persons whatsoever, nor for personal injuries to, or deaths of them, or any of them, whether caused by or resulting from any acts or omission of Society or any act or omission of any person or from any defect in any part arising out of the Society's use of the Property or the Lee.

Society agrees to protect, defend, indemnify and hold harmless City, its officers, agents and employees from any and all liability, claims, suits, liens and judgments, of whatever nature, including injury to any person, arising from performance or failure to perform obligations of this Agreement caused or claimed to be caused by Society, its agents or employees. Society agrees it is its duty to defend even if the claim appears without merit.

15. Employee Insurance

Society does not intend to have any employees. Should it hire any person as an employee, Society shall obtain Workers' Compensation Insurance in accordance with State law and shall provide City with a certificate of insurance as specified in Section 17 hereof.

16. Volunteer Insurance

Volunteers -- All volunteers of Society shall be covered by Volunteer Accident Insurance with a medical indemnity of not less than \$10,000. Society shall provide a certificate of insurance in the form and as required by Section 17 hereof.

17. Liability Insurance

Society agrees to secure and maintain commercial general liability and volunteer insurance with an insurance carrier satisfactory to City to protect against loss from liability imposed by law for damages on account of bodily injury, including death resulting there from, suffered or alleged to be suffered by any person or persons whatsoever resulting directly or indirectly from any act or activities of Society or any person, including volunteers for Society or under Society's control or direction and also to protect against loss from liability imposed by law for damages to any property of any person caused directly or indirectly by or from acts for activities under Society's

control or direction. Such public liability and property damage insurance shall be primary insurance and maintained in full force and effect during the entire term of this Agreement in the amount of not less than \$1,000,000 for combined single limit or single occurrence and not less than \$3,000,000 per annual aggregate if an aggregate is applicable. Proof of such insurance shall be filed as required by Section 17 with City by Society prior to conducting any activities under this Agreement, and shall be in a form satisfactory to the City Attorney.

Attachment A – Exhibit 1

18. Certificate of Insurance

The commercial general liability policy required and volunteer insurance policy herein shall name the City as an additional insured. A certificate of insurance shall be provided for each policy required herein and have a non-cancellation without thirty (30) day notice to City clause and shall provide that copies of all cancellation notices shall be sent to the Risk Manager. All liability insurance policies shall be primary insurance and shall be filed with the Risk Manager. Provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which Society held responsible for the payment of damages to persons or property resulting from its activities or the activities of any person or persons for which it is otherwise responsible.

19. Termination after Notice for Failure to Comply with Agreement

Should City determine that Society appears to be in violation of the Agreement (except for violations specified in Section 19 herein) it shall give Society thirty (30) day notice of intent to terminate at the address specified in Section 20 hereof and identify the perceived violations. If said violations are not corrected within that time, this Agreement shall be then forthwith terminated.

20. Termination in the Interest of the Public Health, Safety and Welfare

The City may terminate this Agreement without notice and cause the Lee to be immediately vacated in the following instances.

- a. The City finds that the operation of Society at the Lee poses a threat to the public health, safety or welfare.
- b. The Society fails to keep the insurance required by this contract in full force and effect.
- c. The Society is placed in receivership or bankruptcy or is determined to be insolvent.

21. Notices to Parties

Notices to the respective parties shall be hand-delivered or mailed in the State of California by First Class Mail to:

For: City of Lemon Grove, Attention: City Manager
3232 Main Street
Lemon Grove, CA 91945

For: Lemon Grove Historical Society, Attention: President
Post Office Box 624
Lemon Grove, CA 91946

City of Lemon Grove
a municipal corporation

Lemon Grove Historical Society
a 501(c)(3) corporation

Lydia Romero, City Manager

Helen Ofield, President

Date

Date